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HOUSE BILL 2841

By Eckles

AN ACT to amend Tennessee Code Annotated, Title 33, relative to mental retardation services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 33, Chapter 5, Part 1, is amended by adding the following as a new section:

33-5-106. (a) The department of mental health and mental retardation shall assess in writing the fiscal impact on licensees under title 33, chapter 2, part 5, of any change to any rule, regulation, policy or guideline relating to the staffing, physical plant or operating procedures of such licensee for rendering services pursuant to a contract, grant or agreement with the department for mental retardation services. The department's estimate of fiscal impact shall be transmitted to the comptroller of the treasury for consideration in the determination of reasonable and allowable costs for such licensee.

(b) Payment by the department to licensees for mental retardation services under this chapter shall be based upon a consideration of the reasonable, allowable prospective costs, including capital and training costs, which will be incurred during the

contract term by an efficiently and economically operated provider, and may be adjusted during the term of the licensees' agreements with the department pursuant to this section. The rates to be paid to licensees for such services shall be adopted by the department in consultation with the community rehabilitation agencies of Tennessee and shall be based upon recommendations of the comptroller of the treasury regarding which costs are reasonable and allowable as determined in accordance with regulations adopted by the comptroller.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it. This act shall apply to contracts entered into or renewed on or after that date.